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Date: May 21, 2014

To: Senate Infrastructure Modernization Committee Members

From: Andrew Vermeesch
Associate Legislative Counsel

Re: Written Testimony on House Bills 4630, 5477, 5493; Senate Bills 6, 149

Thank you for the opportunity to provide written testimony to the Senate Committee on Infrastructure Modernization in support of increasing funding to Michigan's transportation system.

Michigan Farm Bureau is the state's largest general farm organization representing more than 48,000 farm family members. Our policy efforts are grassroots driven where local members develop, debate, and adopt our policy positions on an annual basis.

Michigan Farm Bureau recognizes the importance of the state and local road network to agriculture. Investment in infrastructure, such as highways and local roads, can be directly linked to growth in business and economy. Improving Michigan's transportation system will create jobs, attract business and strengthen our economy. We believe state and local road agencies should be adequately funded so they are able to properly fund routine maintenance to ensure safe and efficient roadways for all motorists.

We are encouraged by the recent actions to increase funding for Michigan's transportation system and support the package of bills before the Senate Infrastructure Modernization Committee. Specifically, Farm Bureau supports the changes made in HB 4630 (S-1) that allows for the continuation of the state's farm plate registration that has historically reflected our seasonal use; however, we remain uncertain on the requirement to have proper signs labeling the organization on vehicle as required in bill. A recent change made by the Secretary of State requires all applicants registering for the farm plate to sign an affidavit to ensure the integrity of the classification. Furthermore, Farm Bureau policy supports providing information to its members regarding the proper uses of farm-plated vehicles.

Michigan Farm Bureau continues to support efforts to increase road funding, including implementation of a user based system that allocates new revenue through the current PA 51 formula, and looks forward to continuing to work to find a common solution to this issue that does not hinder agriculture operations.

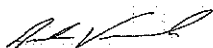
An excerpt from Michigan Farm Bureau policy

“We support:

- User taxes when new revenue is needed for roads and bridges. New revenues for roads and bridges shall go through the current PA 51 formula. Such taxes must be in line with maintenance costs and should be consistent with neighboring states. We must not revert to the property tax or special assessments as a means of building and maintaining state roads and bridges.
- A system that allows for indexing of the fuel tax rate.
- Diverting up to 100% of state sales tax collected on motor fuels from the general fund to the PA 51 formula to provide additional road funding.
- Electric car owners having to install a separate electric meter for charging electric cars. That meter usage would be taxed for the highway fund at a rate consistent with fuel taxes paid by other vehicles, or other suitable means for collecting the road tax.
- Taxing other forms of energy that are used in transportation at an equitable rate.
- MFB should continue to provide information to members regarding the proper uses of farm-plated vehicles.”

Again, thank you for the opportunity to provide written testimony on behalf of Michigan Farm Bureau members, and our organization looks forward to continuing to work to improve Michigan's transportation system and support efforts to increase road funding.

Sincerely,



Andrew Vermeesch
Associate Legislative Counsel